

ADFA BEGINNING FARMER LOAN PROGRAM

THE PROJECT: A husband and wife in Independence County contacted their local bank about financing the acquisition of an existing farm. The couple qualified as first time farm owners under ADFA Beginning Farmer Loan Program. The new owners had other full time jobs and would spend approximately 45 hours per week devoted to active labor and management of the agricultural operation.

The local bank agreed to finance the purchase of the agricultural property funded solely from the acquisition of a State and Federal tax-exempt bond issued by ADFA.

<u>PRINCIPAL</u>	\$72,165
<u>TERM</u>	15 Years
<u>RATE</u>	8% for the first three years, then in years four through fifteen, floating at 1% under New York prime rate, adjusted annually, with the rate for any twelve month period between adjustment dates not to exceed 10.25%.
<u>TAX EQUIVALENT RATE</u>	13.56% for the first three years

SOURCES AND USES OF FUNDS:

USES OF FUNDS

Land (162 Acres)	\$62,500
Outbuildings	2,000
Dwelling	15,000
Livestock	6,500
Equipment	2,500
Bond Closing Fees	<u>775</u>
Total	<u>\$89,275</u>

SOURCES OF FUNDS

ADFA Bond	\$72,165
Borrower	<u>17,110</u>
Total Sources	<u>\$89,275</u>

